

# House Study Bill 179 - Introduced

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
TRANSPORTATION BILL BY  
CHAIRPERSON BYRNES)

## A BILL FOR

1 An Act relating to electric transmission lines exceeding a  
2 specified length by prescribing location requirements,  
3 establishing fees, and including effective date and  
4 applicability provisions.  
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 312.1, subsection 1, Code 2015, is  
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *0e.* All the net proceeds of the franchise  
4 fee under section 478.8.

5 Sec. 2. Section 478.3, subsection 1, paragraph c, Code 2015,  
6 is amended to read as follows:

7 *c.* The starting points, routes, and termini of the proposed  
8 lines, accompanied with a map or plat showing such details. If  
9 a proposed line exceeds five hundred miles in length, the map  
10 or plat shall document that the line shall be constructed near  
11 and parallel to an existing highway right-of-way as provided in  
12 section 478.18, subsection 3.

13 Sec. 3. Section 478.8, Code 2015, is amended to read as  
14 follows:

15 **478.8 Valuation of franchise — fees.**

16 1. No Except as provided in subsection 2, financial  
17 consideration shall not be charged for such franchise. In  
18 fixing the value for rate-making purposes of the property of  
19 any person, company, or corporation owning it or assigned the  
20 franchise or operating under it the franchise, no account shall  
21 be taken of, and no increased value shall be allowed for,  
22 any such franchise, except that the reasonable cost to the  
23 petitioners of obtaining said the franchise may be included in  
24 the cost of constructing said line.

25 2. a. An applicant granted a franchise pursuant to this  
26 chapter to construct, maintain, or operate a transmission  
27 line that exceeds five hundred miles in length shall be  
28 charged an initial fee of forty-five million dollars on the  
29 date the franchise is granted, and an annual fee of three  
30 million eight hundred thousand dollars thereafter for each  
31 year the franchise is in existence. The annual fee shall  
32 apply equally to assignees or operators as well as to original  
33 owners. Fees paid pursuant to this subsection shall not be  
34 taken into account in fixing the value for rate-making purposes  
35 under subsection 1 of the property of any person, company, or

1 corporation owning, assigned, or operating the franchise.

2 b. Fees collected pursuant to this subsection shall be  
3 deposited in the road use tax fund created in section 312.1.

4 Sec. 4. Section 478.13, Code 2015, is amended by adding the  
5 following new subsection:

6 NEW SUBSECTION. 6. An extension of an existing franchise  
7 for construction, maintenance, or operation of a transmission  
8 line that exceeds five hundred miles shall be subject to the  
9 initial and annual fees imposed pursuant to section 478.8 and  
10 to the construction location requirements contained in section  
11 478.18, subsection 3.

12 Sec. 5. Section 478.18, Code 2015, is amended by adding the  
13 following new subsection:

14 NEW SUBSECTION. 3. Notwithstanding any other provision to  
15 the contrary, a transmission line that exceeds five hundred  
16 miles in length shall be constructed near and parallel to  
17 an existing highway right-of-way. For the purposes of this  
18 subsection, "*highway right-of-way*" means the same as defined in  
19 section 318.1.

20 Sec. 6. EFFECTIVE UPON ENACTMENT. This Act, being deemed of  
21 immediate importance, takes effect upon enactment.

22 Sec. 7. RETROACTIVE APPLICABILITY. This Act applies  
23 retroactively to petitions for a franchise or extension of a  
24 franchise filed on or after November 1, 2014.

25 EXPLANATION

26 The inclusion of this explanation does not constitute agreement with  
27 the explanation's substance by the members of the general assembly.

28 This bill relates to electric transmission lines exceeding  
29 a specified length by prescribing location requirements and  
30 establishing fees.

31 Currently, Code section 478.8 provides that financial  
32 consideration shall not be charged for obtaining a franchise to  
33 construct, maintain, or operate an electric transmission line.  
34 The bill creates an exception to this provision by imposing  
35 an initial fee of \$45 million and an annual fee thereafter of

1 \$3.8 million for a franchise for construction, maintenance, or  
2 operation of a transmission line exceeding 500 miles in length.  
3 The bill provides that the annual fee requirement shall apply  
4 equally to assignees or operators of the franchise as well as  
5 to original owners. The bill also provides that in fixing the  
6 value for rate-making purposes of the property of any person,  
7 company, or corporation owning or operating the franchise, the  
8 initial or annual fees shall not be taken into account. The  
9 bill directs that the fees be deposited in the general fund of  
10 the state and credited to the road use tax fund.

11 Additionally, the bill provides that a transmission line  
12 exceeding 500 miles in length shall be constructed near  
13 and parallel to an existing highway right-of-way. The bill  
14 references the definition of "highway right-of-way" contained  
15 in Code section 318.1 as meaning the total area of land,  
16 whether reserved by public ownership or easement, that is  
17 reserved for the operation and maintenance of a legally  
18 established public roadway deemed to consist of two portions, a  
19 central traveled way including the shoulders and that remainder  
20 on both sides of the road, between the outside shoulder edges  
21 and the outer boundaries of the right-of-way.

22 The bill provides that the initial and annual fee and  
23 location requirements apply to extensions of an existing  
24 franchise for the construction, maintenance, or operation of a  
25 transmission line that exceeds 500 miles in length.

26 The bill takes effect upon enactment and applies  
27 retroactively to petitions for a franchise or extension of a  
28 franchise filed on or after November 1, 2014.